



DEPARTMENT OF THE ARMY
HEADQUARTERS, UNITED STATES ARMY FORCES COMMAND
FORT MCPHERSON, GEORGIA 30330-6000

REPLY TO
ATTENTION OF
AFLG-PR

14 February 2000

MEMORANDUM FOR ALL FORSCOM DOCS

SUBJECT: Contracting Information Letter (CIL) 00-15

1. This CIL contains information on the following subjects:

a. Mandatory Electronic Funds Transfer and Central Contractor Registration,

b. FY 01 Defense Acquisition University (DAU) Training Courses, and

c. DFARS Change Notice, Overseas Use of the Purchase Card (DFARS Case 99-D002).

2. Mandatory Electronic Funds Transfer and Central Contractor Registration. Reference memo from Mr. William J. Lynn, Undersecretary of Defense, 30 December 1999, SAB (encl 1). Effective 1 February 2000, Mr. Lynn has instructed the Defense Finance and Accounting Services to return contracts and invoices that are not in compliance with "The Debt Collection Improvement Act of 1996" (Public law 104-134).

3. FY 01 Defense Acquisition University (DAU) Training Courses. The Acquisition Career Management Office (ACMO) is attempting to obtain DAU courses, resident and non-resident, for our workforce. There is a problem that the ACMO needs our support in resolving. The automated Individual Development Plan (IDP) is designed as a tool to forecast training needs over the 5 year period. Unfortunately, the IDP is reflecting far fewer training courses for FY 01 than is normally required. If the ACMO cannot identify our future needs, the Army Acquisition Workforce will not be able to get the training required for certification or continuous learning purposes. Supervisors and managers, please require employees to update their IDPs immediately to identify DAU training requirements for FY 01 as well as the outyears. For additional information, please contact Clyde Thomas at DSN 367-6372.

AFLG-PR

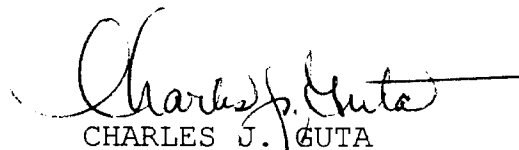
SUBJECT: Contracting Information Letter (CIL) 00-15

4. DFARS Change Notice, Overseas use of the Purchase Card (DFARS Case 99-D002).

a. Reference memo, [Federal Register, dated 21 Oct 99 (Volume 64, Number 203)] [Rules and Regulations] [Page 56704-56705] (encl 2). Defense Acquisition Regulation Supplement; Overseas Use of the Purchase Card. The Director of Defense Procurement has issued a final rule amending the DFARS 201.603-3 and adds a new section at 213.301 pertaining to use of the Governmentwide commercial purchase card. FAR 13.301 permits use of the card for purchases exceeding the micro-purchase threshold only as an ordering or payment method in conjunction with a contract. This DFARS rule permits use of the card on a stand-alone basis for purchases valued at or below \$25,000 that are made outside the United States for use outside the United States and are for commercial items. The Federal Register notice for this rule is attached.

b. If additional information is needed, please contact Ms. Gwendolyn S. Miles, DSN 367-5486, or e-mail milesgwen@forscom.army.mil.

2 Encls
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COMPTROLLER

UNDER SECRETARY OF DEFENSE
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DEC 30 1999




MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
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DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Mandatory Electronic Funds Transfer and Central Contractor Registration

"The Debt Collection Improvement Act of 1996" (Public Law 104-134) requires that payments to contractors/vendors be made via Electronic Funds Transfer (EFT) effective January 1, 1999. To implement this statutory requirement, the Department of Defense (DoD) developed appropriate contract clauses requiring payment by EFT and mandating registration in the Central Contractor Registration (CCR) database. At the same time, a notification program for contractors/vendors was put into place to help better ensure that current, as well as potential future, contractors/vendors, were aware of these requirements.

In addition to being required by statute, the use of EFT as a payment vehicle is one of the keys to improving finance and accounting services and reducing related costs within the Department. While we have made substantial progress in implementing EFT payments, additional effort is required to fully achieve the Department's goals. Therefore, I have instructed the Defense Finance and Accounting Service to return contracts and invoices that are not in compliance with current requirements, along with a request for corrective actions, effective February 1, 2000 as well as to take other specific actions. Those actions are addressed in the attachment to this memorandum.

The use of EFT payments to contractors/vendors, and the registration of contractors/vendors in the CCR should not continue to be delayed. It is incumbent on all of us to expeditiously implement these requirements. Your assistance and cooperation in this matter is greatly appreciated.


William J. Lynn

Attachment

ENCL 1

ACTIONS THAT DFAS HAS BEEN DIRECTED TO TAKE
EFFECTIVE FEBRUARY 1, 2000
FOR CONTRACTS/INVOICES THAT DO NOT COMPLY WITH
ELECTRONIC FUNDS TRANSFER (EFT) AND/OR
CENTRAL CONTRACTOR REGISTRATION REQUIREMENTS

1. Effective February 1, 2000, when contracts that are not exempted do not contain the required clause providing for payment to be made by EFT, and the contractor/vendor is not registered in the Department's Central Contractor Registration database, the Defense Finance and Accounting Services is directed to take the following actions:

--Return the contract to the contracting office. The contracting office will be: (1) advised that the contract does not comply with EFT and CCR requirements, (2) requested to amend the contract to include the appropriate EFT clause or require the contractor to register in the CCR, and (3) asked to expedite this action so as to minimize any potential for a delay in payment. A copy of such notification will be sent to the contractor/vendor involved.

--Charge the DoD Component involved an additional amount for each contract that is returned as a result of not containing appropriate EFT clause for contractors not registered in the CCR. The amount to be charged will be equal to the amount charged for processing a payment for a contract.

--If a particular contracting office repeatedly fails to include such clauses, notify the senior acquisition and the senior financial management manager in the applicable Component involved of the contracting office's repeated failure to comply with EFT and CCR requirements.

--Pay interest amounts, as applicable, on any payments delayed beyond 30 days as a result of returning a contract for modification to comply with EFT and CCR requirements. Such interest payments will be charged to the applicable DoD Component involved.

2. Effective February 1, 2000, when invoices that are not exempted do not contain appropriate information providing for payment to be made by EFT, and the contractor/vendor is not registered in the Department's Central Contractor Registration database, the Defense Finance and Accounting Services is directed to take the following actions:

--Notify the contractor/vendor of applicable EFT and CCR requirements and request voluntary compliance. Send a copy of the request to the applicable contracting office.

--Charge the DoD Component involved an additional amount for each such notification to a contractor/vendor. The amount to be charged will be equal to the amount charged for processing a payment for a contract.

--If a particular contractor/vendor refuses to comply or initiates or threatens litigation, the DFAS shall pay the contractor/vendor and notify the applicable acquisition manager of the vendor's

unwillingness to comply with EFT and CCR requirements and request that appropriate clauses be inserted in all existing and future contracts with that contractor/vendor.

--Charge the DoD Component involved an additional amount for each payment made by means other than EFT, if the applicable contract does not contain appropriate clauses providing for payment by EFT and the contractor does not comply voluntarily. The amount to be charged will be equal to the amount charged for processing a payment for a contract.

--Charge the DoD Component involved an additional amount for each payment where the contractor/vendor is not registered in the CCR in accordance with DoD policies if the applicable contract does not require such registration and the contractor does not comply voluntarily. The amount to be charged will be equal to the amount charged for processing a payment for a contract.

--Pay interest amounts, as applicable, on any payments delayed beyond 30 days as a result of requesting a contractor/vendor to comply with EFT or CCR requirements. Such interest payments will be charged to the applicable DoD Component involved.

[Federal Register: October 21, 1999 (Volume 64, Number 203)]
[Rules and Regulations]
[Page 56704-56705]
From the Federal Register Online via GPO Access [wais.access.gpo.gov]
[DOCID:fr21oc99-14]

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DEPARTMENT OF COMMERCE

48 CFR Parts 201 and 213

[DFARS Case 99-D002]

Defense Federal Acquisition Regulation Supplement; Overseas Use
of the Purpose Card

AGENCY: Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: The Director of Defense Procurement has issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to permit use of the Governmentwide commercial purchase card for purchases valued at or below \$25,000 that are made outside the United States for use outside the United States and are for commercial items. Use of the purchase card permits immediate receipt of supplies and services and, therefore, increases mission readiness and accomplishment.

[[Page 56705]]

EFFECTIVE DATE: October 21, 1999.

FOR FURTHER INFORMATION CONTACT:

Ms. Susan Schneider, Defense Acquisition Regulations Council, PDUSD (A&T) DP (DAR), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062. Telephone (703) 602-0326; telefax (703) 602-0350. Please cite DFARS Case 99-D002.

SUPPLEMENTARY INFORMATION:

A. Background

Section 13.301 of the Federal Acquisition Regulation (FAR) permits use of the Governmentwide commercial purchase card to make purchases valued at or below the micro-purchase threshold of \$2,500 (\$2,000 for construction purchases). The FAR permits use of the card for purchases exceeding the micro-purchase threshold only as an ordering or payment method in conjunction with a contract. This final rule amends the DFARS to permit use of the card on a stand-alone basis for overseas purchases of commercial items valued at or below \$25,000. This action is possible since many laws do not apply to purchases made overseas for use overseas. For example, some laws do not apply if the contractor's employees are recruited outside of the United States. Current requirements and restrictions imposed on card usage for purchases other than those falling within the scope of this rule remain unchanged.

DoD published a proposed rule on May 25, 1999 (64 FR 28134). Forty-seven sources submitted comments on the proposed rule. DoD considered all comments in the development of the final rule.

This rule was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

B. Regulatory Flexibility Act

DoD certifies that this final rule will not have a significant

economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., because the rule only affects commercial item purchases that are made outside the United States for use outside the United States. Small business concerns are not significantly affected by overseas transactions.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the rule does not impose any information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, et seq.

List of Subjects in 48 CFR Parts 201 and 213

Government procurement.
Michele P. Peterson,
Executive Editor, Defense Acquisition Regulations Council.

Therefore, 48 CFR Parts 201 and 213 are amended as follows:

1. The authority citation for 48 CFR Parts 201 and 213 continues to read as follows:

Authority: 41 U.S.C. 421 and 48 CFR Chapter 1.

PART 201--FEDERAL ACQUISITION REGULATIONS SYSTEM

2. Section 201.603-3 is amended by redesignating the existing text as paragraph (a), and by adding a new paragraph (b) to read as follows:

201.603-3 Appointment

* * * * *

(b) Agency heads may delegate the purchase authority in 213.301 to DoD civilian employees and members of the U.S. Armed Forces.

PART 213--SIMPLIFIED ACQUISITION PROCEDURES

3. Section 213.301 is added to read as follows:

213.301 Governmentwide commercial purchase card.

(1) ``United States,' as used in this section, means the 50 States and the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, Guam, American Samoa, Wake Island, Johnston Island, Canton Island, the outer Continental Shelf lands, and any other place subject to the jurisdiction of the United States (but not including leased bases).

(2) An individual appointed in accordance with 201.603-3(b) also may use the Governmentwide commercial purchase card to make a purchase that exceeds the micro-purchase threshold but does not exceed \$25,000, if--

(1) The purchase--

(A) Is made outside the United States for use outside the United States; and

(B) Is for a commercial item; but

(C) Is not for work to be performed by employees recruited within the United States;

(D) Is not for supplies or services originating from, or transported from or through, sources identified in FAR Subpart 25.7;

(E) Is not for ball or roller bearings as end items; and

(F) Does not require access to classified or Privacy Act information; and

(ii) The individual making the purchase--

(A) Is authorized and trained in accordance with agency procedures;

(B) Complies with the requirements of FAR 8.001 in making the purchase; and

(C) Seeks maximum practicable competition for the purchase in accordance with FAR 13.104(b).